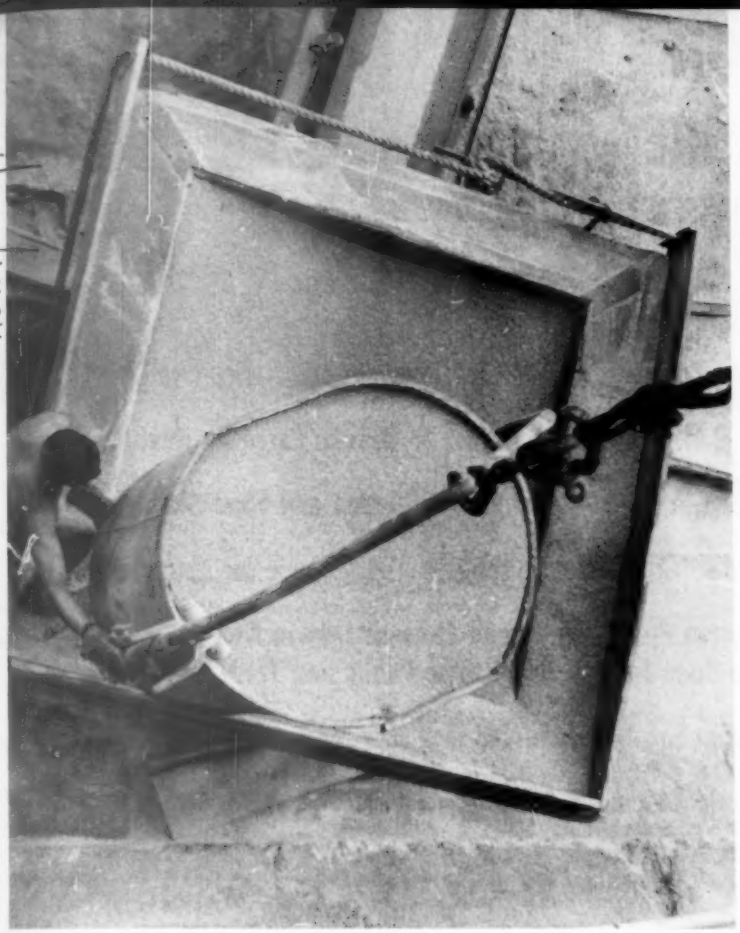

FEBRUARY 28, 1966

FOOD FOR FREEDOM
AND AGRICULTURAL AID

CUBAN AGRICULTURE
AND FOOD IN 1965

COTTON LEISURE WEAR
PROMOTED IN EUROPE

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

FEBRUARY 28, 1966

VOLUME IV • NUMBER 9

Bucket filled with U.S. grain, ready for dumping into hopper, Rio de Janeiro harbor. New programs for U.S. grain shipments and other forms of aid are reported on pages 3-5.

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Orville L. Freeman, Secretary of Agriculture

Dorothy H. Jacobson, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson **Associate Editors:** Ruth A. Oviatt, Kay O. Patterson, Janet F. Beal

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Old Delhi grain market

The PRESIDENT

—on Food for Freedom and Agricultural Aid

Earlier this month the President sent to Congress two messages of the first importance for agriculture both here and overseas. One, which he called Food for Freedom, announced a new direction for U.S. food aid programs; the other, his Foreign Aid message, contained sections outlining the goals of aid to agricultural development. Excerpts from both messages follow, Food for Freedom first.

I propose that the United States lead the world in a war against hunger.

There can only be victors in this war. Since every nation will share in that victory, every nation should share in its costs. I urge all who can help to join us.

The program I am submitting to Congress today, together with the proposals set forth in my message on foreign assistance, looks to a world in which no man, woman or child need suffer want of food or clothing.

The key to victory is self-help. Aid must be accompanied by a major effort on the part of those who receive it. Unless it is, more harm than good can be the end result.

I propose:

1. Expanded food shipments to countries where food needs are growing and helf-help efforts are underway. Even with their maximum efforts abroad, our food aid will be needed for many years to come.

2. Increased capital and technical assistance. Thus, self-help will bear fruit through increased farm production.

3. Elimination of the "surplus" concept in food aid. Current farm programs are eliminating the surpluses in our warehouses. Fortunately the same programs are flexible enough to gear farm production to amounts that can be used constructively.

4. Continued expansion of markets for American agricultural commodities. Increased purchasing power, among the hundreds of millions of consumers in developing countries, will help them become good customers of the American farmer.

5. Increasing emphasis on nutrition, especially for the young. We will continue to encourage private industry, in cooperation with the government, to produce and distribute foods to combat malnutrition.

6. Provision for adequate reserves of essential food commodities. Our reserves must be large enough to serve as a stabilizing influence and to meet any emergency.

This program keeps faith with policies this nation has followed since President Franklin D. Roosevelt proclaimed the Four Freedoms of mankind.

After World War II, we helped to make Europe free from want. We have provided technical and capital assistance to the developing nations. Our food aid programs have brought over 140 million tons of food to hungry people during the past decade. Nevertheless, the problem of world hunger is more serious today than ever before.

One new element in today's world is the threat of mass hunger and starvation. Populations are exploding under the impact of sharp cuts in the death rate. Successful public health measures have saved millions of lives. But these lives are now threatened by hunger because food production has not kept pace. A balance between agricultural productivity and population is necessary to prevent the shadow of hunger from becoming a nightmare of famine.

Improving local agriculture

Many of the developing countries urgently need to give a higher priority to improving and modernizing their own production and distribution of food. The overwhelming majority of those who till the soil still use the primitive methods of their ancestors. They produce little more than enough to meet their own needs, and remain outside the market economy.

History has taught us that lack of agricultural development can cripple economic growth. The developing countries must make basic improvements in their own agriculture. They must bring the great majority of their people —now living in rural areas—into the market economy. They must make the farmer a better customer of urban industry and thus accelerate the pace of economic development. They must begin to provide all of their people with the food they need. They must increase their exports, and earn the foreign exchange to purchase the foods and other goods which they themselves cannot produce efficiently.

The need for self-help

There is one characteristic common to all those who have increased the productivity of their farms: a national will and determination to help themselves.

We know what would happen if increased aid were dispensed without regard to measures of self-help. Economic incentives for higher production would disappear. Local agriculture would decline as dependence upon U.S. food increased. Such a course would lead to disaster.

Disaster could be postponed for a decade or even two—but it could not be avoided. Ultimately those nations would pay an exorbitant cost. For the sake of those we would aid, we must not take that course.

But candor requires that I warn you the time is not far off when all the combined production, on all of the acres, of all of the agriculturally productive nations, will not meet the food needs of the developing nations—unless present trends are changed.

The program I present today is designed to bring about that change.

Beyond simple hunger, there lies the problem of malnutrition. We know that nutritional deficiencies are a major contributing cause to a death rate among infants and young children that is 30 times higher in developing countries than in advanced areas. Protein and vitamin deficiencies during pre-school years leave indelible scars.

We are already increasing the nutritional content of our food aid contributions. We are working with private industry to produce and market nutritionally rich foods. We must encourage and assist the developing countries themselves to expand their production and use of such foods.

New directions for our abundance

Our farm programs must reflect changing conditions in the United States and the world. Today—because of the world's needs, and because of the changing picture of U.S. agriculture—our food aid programs can no longer be governed by surpluses. The productive capacity of American agriculture can and should produce enough food and fiber to provide for domestic needs; commercial exports; food aid to those developing countries that are determined to help themselves; and reserves adequate to meet any emergency and to stabilize prices.

To meet these needs, I am today directing the Secretary of Agriculture to:

1. Increase the 1966 acreage allotment for rice by 10 percent. Unprecedented demands arising out of drought and war in Asia require us to increase our rice crop.

2. Buy limited amounts of dairy products under the authority of the 1965 Act. We must have adequate supplies of dairy products for commercial markets, and to meet high-priority domestic and foreign program needs. Milk from U. S. farms is the only milk available to millions of poor children abroad.

3. Take actions that will increase soybean production in 1966. The demand for soybeans has climbed each year since 1960. Despite record crops, we have virtually no reserve stocks. To assure adequate supplies at prices fair to farmers and consumers, the Secretary of Agriculture will use authority under the 1965 Act to encourage production of soybeans on acreage formerly planted to feed grains. Feed grain stocks are more than sufficient.

These actions supplement earlier decisions to increase this year's production of wheat and barley. Although our present reserves of wheat are adequate to meet all likely shipments, the Secretary of Agriculture has suspended programs for voluntary diversion of additional spring wheat plantings.

Our 60 million acres now diverted to conservation uses represent the major emergency reserve that could readily be called forth in the critical race between food and population. We will bring these acres back into production as needed—but not to produce unwanted surplus, and not to supplant the efforts of other countries to develop their own agricultural economies.

Food for Freedom Act

I recommend a new Food for Freedom Act that retains the best provisions of Public Law 480, and that will:

—make self-help an integral part of our food aid program.

—eliminate the "surplus" requirement for food aid.

—emphasize the development of markets for American farm products.

—authorize greater food aid shipments than the current rate.

—emphasize the building of cash markets and the shift toward financing food aid through long-term dollar credits rather than sales for foreign currencies. Except for U. S. requirements, we look to the completion of that shift by the end of 5 years.

—continue to finance the food aid program under the Commodity Credit Corporation.

—increase emphasis on combating malnutrition. The Act will authorize the CCC to finance the enrichment of foods.

—continue to work with voluntary agencies in people-to-people assistance programs.

—provide for better coordination of food aid with other economic assistance.

Food and fiber reserves

I recommend a program to establish the principle of the ever-normal granary by providing for food and fiber reserves.

This program supplements Food for Freedom. It establishes a reserve policy that will protect the American people from unstable supplies of food and fiber, and from high prices in times of emergency.

The legislation I recommend to the Congress will enable us to draw strength from two great related assets:

—the productive genius of our farmers.

—the potential that lies in the 60 million acres now withdrawn from production.

In case of need, most of those acres could be brought back into productive farming within 12 to 18 months. But because of the seasonal nature of farming time would be needed to expand production even under the flexible provisions of the Agriculture Act of 1965. Therefore we need a reserve to bridge this gap.

A unified effort

Our food aid and economic assistance must be closely linked. Together they must relate to efforts in developing countries to improve their own agriculture. The Departments of State and Agriculture and the Agency for International Development will work together, even more closely than they have in the past in the planning and implementing of coordinated programs.

In the past few years AID has called upon the Department of Agriculture to assume increasing responsibilities through its International Agricultural Development Service. That policy will become even more important as we increase our emphasis on assisting developing nations to help themselves.

We shall work to strengthen the Food and Agriculture Organization of the United Nations. The efforts of the multilateral lending organizations and of the United Nations Development Program should be expanded—particularly in food and agriculture.

We are prepared to increase our participation in regional as well as worldwide multilateral efforts, wherever they provide efficient technical assistance and make real contributions to increasing the food-growing capacities of the developing nations.

The President's message on the Foreign Aid program included sections on the channeling of U.S. assistance,

with the aim of helping the developing nations increase their own agricultural efficiency.

I recommend a program to help give the people of the less-developed world the food; the health, the skills and education—and the strength—to lead their nations to self-sufficient lives of plenty and freedom.

The United States can never do more than supplement the efforts of the developing countries themselves. They must supply most of the capital, the know-how—and the will to progress. If they do we can and will help. If they do not, nothing we can supply will substitute.

For the essence of economic development is work—hard, unremitting, often thankless work. Most of it must be done by the people whose futures and whose children's futures are directly at stake.

Only these people and their leaders can:

—invest every possible resource in improved farming techniques, in school and hospital construction, and in critical industry;

—make the land reforms, tax changes, and other basic adjustments necessary to transform their societies;

—face the population problem squarely and realistically;

—create the climate which will attract foreign investment and keep local money at home.

Breaking the hunger cycle

In this spirit of cooperation, I propose that the United States offer to join in new attacks upon the root causes of world poverty.

The incessant cycle of hunger, ignorance, and disease is the common blight of the developing world. It must be dealt with by all who can help. In many other countries food output is also falling behind population growth. We cannot meet the world food needs of the future, however willing we are to share our abundance. Nor would it serve the common interest if we could.

The solution is clear: an all-out effort to enable the developing countries to supply their own food needs, through their own production or through improved capacity to buy in the world market.

I will shortly send to the Congress a special message which will recommend new legislation to redirect and strengthen our food aid programs to:

—induce greater agricultural self-help abroad;

—make food aid a more integrated element of general programs of economic cooperation;

—move as quickly as our mutual interests permit toward harder financial terms, thereby adding to our commercial markets and a favorable balance of payments result.

In addition, I propose that the Agency for International Development increase its efforts in the field of agriculture by more than one-third, to a total of nearly $500 million. One-third of this total will finance imports of fertilizer from the United States. The remainder will finance:

—transfer of American farming techniques, the most advanced in the world;

—improvement of roads, marketing, and irrigation facilities;

—establishment of extension services, cooperatives, and credit facilities;

—purchases of American farm equipment and pesticides;

—research on soil and seed improvements.

These programs will also have long-range benefits for our own farmers. Higher incomes abroad mean greater exports for our highly efficient food producers.

EEC Meat Imports Forecast To Remain Large for Next Few Years

The European Economic Community's goal of becoming less dependent on meat imports is not likely to be realized in the near future, according to a publication issued recently by the Economic Research Service.

The report *Meat Import Prospects of the European Economic Community* shows that the EEC failed to make headway in expanding its meat output between 1962 and 1964, while meat consumption rose by around a million metric tons. Considering "meat" to include the equivalent of live animals, this has meant a 68-percent jump in meat imports between 1962 and 1965—to 1.46 million metric tons. Still another gain is expected for 1966.

Behind the stagnation in meat production have been cyclical declines in red meat output. In 1963, pork dropped some 75,000 metric tons below the 1962 level, only to be followed a year later by a 300,000-ton drop in beef and veal. These declines offset the gains in the much smaller poultry industry, which since 1955 has recorded a growth rate of 10 percent per annum.

This year, meat production is generally getting back in the upswing. Poultry output is expected to continue its rapid growth. Pork, recovered from the lean years of 1963 and 1964, is promising to show a good gain; and beef, which was still off through last year, is expected to show some recovery. These changes will mean a total production in 1966 that is some 400,000 tons above the 1965 level of 10 million. However, consumption, pressured by population growth and burgeoning consumer purchasing power, is expected to show a similar rise, leaving an import requirement of around 1.5 million tons—the highest thus far for the EEC.

Beyond 1966, the outlook is highly indefinite, but most sources feel that the EEC will probably continue to import large amounts of meat for several years to come.

Unfortunately, the makeup of this trade expansion has not favored the United States, whose share of the EEC meat market has dropped from the 1962 high of 22 percent to slightly over 10 percent. This decline resulted from the establishment of the CAP for poultry in 1962, which had the effect of limiting poultry imports from third countries as well as encouraging poultry production within the EEC. Red meat imports, of course, have more than offset the drop in poultry, but the United States is generally not competitive in that market whereas it once counted poultry as its major meat export to the EEC. Variety meats are now the biggest export, showing a steady upward trend.

Copies of the publication, ERS-Foreign-139, may be obtained from the Division of Information, Office of Management Services, USDA, Wash. D.C. 20250.

Cuba in 1965—Agricultural Situation and Food Supply

Cuba's agriculture is providing less of the country's food requirement than it did 7 years ago, and food imports cannot fill the gap.

By DONALD CHRISLER
Foreign Regional Analysis Division
Economic Research Service

The year 1965—which Fidel Castro proclaimed "The Year of Agriculture"—turned out to be a fairly good one for sugar production, but one of drought and neglect for the rest of Cuban agriculture.

During the 7 years of the Castro regime, Cuba has failed to improve its sugar-based economy and has suffered a sharp deterioration in its food situation. Total agricultural output in 1965, although it increased for the second year in a row, still was almost 15 percent lower than the 1957-59 level, and per capita output of food (excluding sugar) was about one-third lower. The Cuban consumer will have to tighten his belt again in 1966. Furthermore, prospects are that the 1966 crop of sugarcane (now being harvested) will fall short of stated goals.

Upturn in sugar output

Larger harvests of sugarcane—the crop that accounts for roughly half the value of Cuban agricultural production—were responsible for the improvement in total agricultural output in 1964 and 1965. After hitting rock bottom in 1963, raw sugar production turned upward in 1964, and output in 1965 was the largest since 1961. Production figures follow (raw value):

	1,000 metric tons		*1,000 metric tons*
1952	7,012	1961	6,767
1957	5,506	1962	4,815
1958	5,613	1963	3,821
1959	5,964	1964	4,000
1960	5,862	1965	6,050

The 1965 sugarcane crop was favored by the combination of increased acreage, somewhat better organization during the *zafra*, or harvest, and good weather—including good harvest weather, which permitted a longer zafra than usual. There is evidence, however, that a considerable quantity of the cane cut in 1965 was immature, and future harvests will feel its absence. The large harvest of 1961 was achieved under similar nonrepeatable conditions; the size of that harvest resulted from heavy overcutting of cane left standing in previous years because of production controls.

Food consumption declines

Traditionally, the average Cuban diet has leaned heavily on rice, root crops, wheat products, corn, beans, lard, and beef. Before 1959, Cuba imported about 30 percent of its total caloric intake of food, including 40 percent of its rice, all of its wheat and wheat flour, 70 percent of its beans, and almost all of its lard. The United States was the major supplier of these foods. In 1956-58, Cuba's per capita food availability (retail basis), estimated at 2,900 calories per day, ranked third highest in Latin America and provided adequate fats and protein.

Food supplies remained adequate through 1959, but shortages developed in 1960. Imports of food, valued at an average $160 million in 1957 and 1958, declined to about $140 million in 1961. That year, fats and certain meats were placed on the ration list, and by 1962, almost all food items were rationed.

Farm trade and food supply in recent years

Substantially increased imports of food since 1962, with an estimated value of $180 million in 1963 and over $200 million in 1965, have not been sufficient to offset the sharp decline in Cuba's production of basic food crops. The increased allocation of land and other resources to the growing of sugarcane has pulled down the production of basic foods. For rice, root crops, and corn, output in 1965 was estimated to have fallen to half of the pre-Castro levels.

Cuban imports of rice in 1965, primarily from Mainland China, were about 50 percent larger than the average for 1957 and 1958. Imports of wheat and wheat flour (from Canada on Soviet account) have more than doubled during this period. Imports of corn from the USSR now supply more than half Cuba's requirements, although the country had become largely self-sufficient in corn by 1957.

Export crops too have suffered declines in production. Cuba formerly produced more than enough coffee to satisfy its domestic market; 20 percent of the crop was exported. Current production satisfies only about 75 percent of domestic requirements, and coffee, along with basic foods, is strictly rationed. Production of tobacco remained well below the average level of 1957-58.

Livestock situation difficult

The livestock picture in Cuba is almost as bleak as the food crop situation. In 1964, the livestock sector showed some signs of recovering from the effects of the heavy slaughtering that took place in the early 1960's. Imports of breeding stock from Canada and feed from the Soviet Union appeared to be producing results in greater meat and milk output. This limited recovery proved to be temporary, however, as 1965 livestock output fell back to the 1962 level—well below the 1957-58 average.

Meat output in 1965 probably remained at about the 1964 level, but even in the face of continued domestic shortages, Cuba exported some cattle and beef to Western Europe and other areas in 1965. Because of drought, milk production probably dropped. Egg production provided the only bright spot in the 1965 livestock and poultry situation. Eggs were removed from the ration list during 6 months of 1965 and small quantities of eggs were exported during the peak production season.

There has been a sharp decline in per capita consump-

CUBAN IMPORTS OF AGRICULTURAL PRODUCTS

Product	Average 1957-58	1963	1964	1965 [1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Wheat and wheat flour (in terms of wheat)	180	456	395	450
Rice	193	190	286	275
Corn	29	86	180	200
Beans and peas	68	64	—	—
Potatoes	33	54	—	—
Canned beef and pork	([2])	41	9	—
Lard	81	48	—	—
Edible vegetable oil	13	37	25	—
Oilseeds	([3])	35	—	—
Condensed and evaporated milk	9	32	30	—
Barley and oats	3	97	75	—
Oilmeal	33	25	25	—
Cotton	8	8	17	10

[1] Estimated. [2] Cuba imported about 15,000 tons of fresh and salted beef and pork. [3] Negligible.

1957-58 and 1963: Cuban trade statistics. 1964-65: Country-of-origin statistics and ERS estimates.

tion of fats and oils in Cuba as a consequence of reduced imports since 1957-58. In token of "advanced socialist morality," the members of workers' organizations are urged to "volunteer" to renounce their lard quotas. Cuba is receiving lard from the USSR and the Netherlands and vegetable oil from the USSR, Mainland China, Spain, and Algeria; but fat remains a difficult supply problem.

Export volume up, but earnings down

Since 1961, most of Cuba's total and agricultural trade has taken place under barter arrangements with other Communist countries. For the 3-year period 1962-64, Cuba's trade deficit with these countries totaled more than $800 million. In 1964, the latest year for which such trade statistics are available, Cuba's exports (mostly consisting of sugar) were valued at $714 million and its imports at $1,015 million, compared with its average annual exports of $770 million and imports of $850 million in the 2-year period 1957-58.

Increased earnings of convertible currency resulting from high world sugar prices in 1963 and 1964 encouraged Cuba to spend freely during 1964 in non-Communist countries. As a result, it built up a trade deficit that year with hard-currency countries, which brought a further significant reduction of its foreign exchange reserves.

Trade picture in 1965; 1966 outlook

Cuban exports of sugar in 1965 were estimated at 5.1 million tons, the largest since 1962. An estimated 1.7 million tons went to non-Communist countries—the largest shipments to these countries since 1960, the year when the United States stopped buying Cuban sugar. Because of low prices, however, Cuba's foreign exchange earnings from the sale of sugar to Free World countries declined.

Japan, Morocco, Spain, the United Kingdom, and the United Arab Republic (Egypt) were the most important non-Communist markets for Cuban sugar in the past year. Cuba shipped 1.9 million tons of sugar to the USSR and 700,000 tons to Mainland China.

As with sugar, Cuban exports of tobacco to non-Communist countries probably reached their highest level since 1960. France and Spain were the major Free World markets. The USSR also took more Cuban tobacco. However, tobacco earned Cuba much less exchange than sugar.

CUBAN EXPORTS OF SUGAR
[Raw value]

Country	Average 1956-59	1960	Average 1961-63	1964	1965 [1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
United States	2,942	1,949	0	0	0
Canada	116	75	35	3	([2])
Chile	22	6	85	0	0
France	107	107	0	0	0
West Germany	184	102	15	0	([3])
Italy	5	1	53	149	60
Netherlands	135	99	56	10	20
Spain	25	33	71	276	150
United Kingdom	412	173	110	94	100
Syria	32	67	49	31	50
Egypt	0	108	85	95	100
Morocco	177	161	236	323	190
Japan	492	205	338	346	400
Other Free World	366	236	329	188	630
Total Free World	5,015	3,322	1,462	1,515	1,700
Bulgaria	0	0	77	87	([3])
Czechoslovakia	1	9	110	52	([3])
East Germany	2	62	179	81	([3])
Poland	0	144	172	32	([3])
USSR	258	1,578	2,129	1,937	1,900
Mainland China	22	477	824	386	700
Other Communist	21	43	68	86	800
Total Communist	304	2,313	3,559	2,661	3,400
Total	5,319	5,635	5,021	4,176	5,100

[1] Estimated. [2] Included in "other Free World." [3] Included in "other Communist."

International Sugar Council, *Statistical Bulletin*. 1965: ERS estimates, based on country-of-destination statistics.

Despite an increase in Cuba's sugarcane area, the combined effect of drought and the overcutting of cane in 1965 is expected to reduce sugar output in 1966 below the official goal of 6.5 million tons. Unless world sugar prices improve, Cuba's convertible currency earnings from the sale of sugar will probably not increase significantly and may even decline. The important market of Morocco, for example, which paid for half of its 1965 sugar imports from Cuba in convertible currency, will pay only 35 percent in hard currency in 1966 and 25 percent in 1967.

Output of meat and milk in Cuba will probably suffer a further setback in 1966 from drought and the replacement of pangolagrass by cane in prime grazing areas.

Mainland China cuts support to Cuba

On January 2, Castro announced that in 1966 Mainland China would reduce its shipments of rice to Cuba from the 250,000 tons of 1965 to 135,000 tons. In return, he said China will take only 600,000 tons of Cuban sugar compared with last year's 700,000. Furthermore, the Chinese Communists have advised Cuba that commodity trade between the two countries must balance in 1966; China will not provide Cuba with balance-of-payments loans as it has in the past.

The cut in rice imports, coupled with reduced domestic output, means that the 1966 availability of rice in Cuba will probably be only half as high as even the low 1965 level. On January 7, the monthly rice ration was cut from 6 to 3 pounds per person. (In 1958, per capita consumption of rice exceeded 10 pounds per month.) Somewhat larger shipments of wheat from Canada on Soviet account during the first half of 1966 are not expected to offset the shortage of rice in 1966. Furthermore, Castro has indicated that Cuba cannot spare scarce foreign exchange for the purchase of rice in non-Chinese markets.

India: Critical Food Problems Today, Hope for Tomorrow

The rains failed during India's last crop season and food will be short until new crops come in. But the rains will return, and India is moving to improve its production.

Ever since last fall when the Indian Government announced that its food situation was reaching a critical low, the eyes of the world have been on this Asian country in its race between food and people.

The United States—which for years has been supplying India with massive shipments of food grains under Public Law 480—has stepped up its shipments to help meet the emergency.

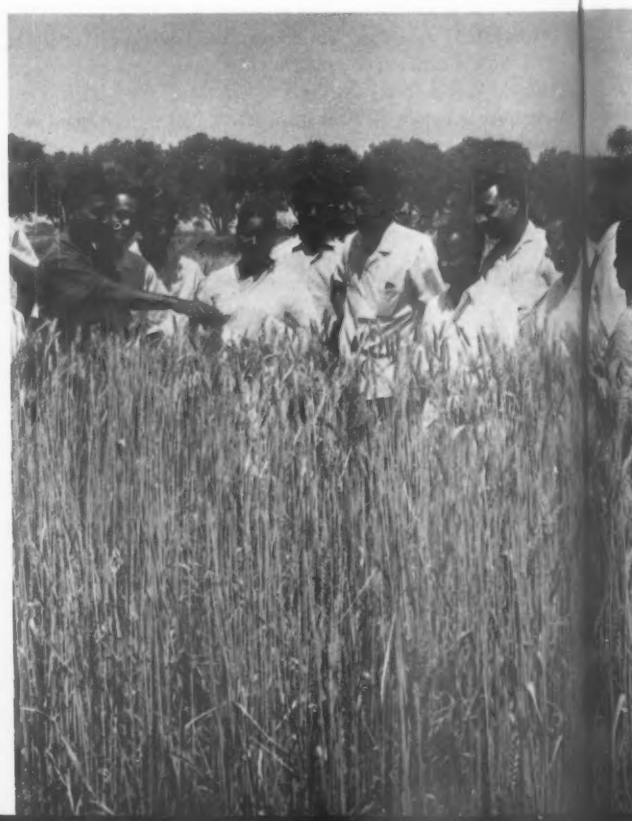
Although the United States is by far the largest provider of food aid to India, other countries will help too. Canada, for example, has made firm commitments of 126,000 tons of wheat. Wheat and other foods are also reaching India through FAO's World Food Program.

India's immediate problem has been the drought. Its longer range problem is its rapidly mounting population—longer life spans plus increased birth rates, nearly 1 million births a month. Consequently, even though the country is making measurable progress agriculturally, its food supply is in an extremely vulnerable position when the unexpected occurs—as it did last summer when prolonged drought reversed what was originally thought to be a good crop year.

India, however, as some of the pictures on these pages show, is going forward to expand its own food production. In its current 5-year plan $3.6 billion were alloted to agricultural improvement and irrigation, and the figure will probably be upped to $4.2 billion for agriculture alone in the new plan that goes into effect in April. New priority is being given to importation and production of fertilizer.

At a Field Day organized by U.S. AID Mission Punjab farmers watch demonstration showing the use of siphons for border irrigation.

Below, left, sign proclaiming "hope for India" is hoisted at hybrid corn demonstration plot. Below right, official of the Indian Agricultural Research Institute explains the use of improved seeds.



Above left, U.S. food grains are unloaded from a ship at Calcutta, and right, scene in hold as Indian workers fill the gunny sacks. On February 4, President Johnson made an additional 3 million tons of U.S. grain available to help relieve crisis.

Above, Indian housewives buy wheat from a Delhi "fair price" food shop. Below, all over India, in villages like this one, people are suffering from the food shortage caused by 1965's long drought.

Top photographs, like these of voile and flannel shirts (above) and twill sailing outfit (right) are used throughout campaign.

Cotton Promotion Abroad Stresses Leisure Wear To Build Fashion Image With Public and Trade

Cotton Council International's highly successful men's leisure wear campaign in Western Europe will be expanded this year, according to Fisher A. Rhymes, CCI's assistant program director for Europe. Also slated for 1966 are promotion of women's casual cottons and increased emphasis on cotton rainwear.

Mr. Rhymes, in the United States for consultations, said the chief criteria in CCI's choice of the casual clothes market as cornerstone of its European program were "concentration and multiplication." He defined this as backing a product highly susceptible to promotion in areas where maximum returns seem most likely.

"In leisure wear, CCI has a market already of adequate size with good prospects for expansion, one with a strong fashion image, that can readily attract coverage from the trade and fashion press. No less important is the substantial number of manufacturers willing to join in carrying the campaign to the consumer," Mr. Rhymes added.

Just within the past 5 or 6 years has the leisure wear market emerged in Europe, and it continues to grow because of shorter work weeks, longer vacations, and greater disposable incomes. As yet leisure wear belongs to no fiber, and cotton—with its qualities of strength, easy care, and comfort particularly suited to casual clothes—has taken the lead in promoting and developing this promising newcomer to Europe's fashion scene.

Outside marketing chain

"CCI has a unique position in the promotion of cotton garments," Mr. Rhymes pointed out, "because it is outside the marketing chain. It doesn't sell raw cotton to spinners or garments to retailers or consumers. Nor does it have any say about price or packaging. What it does is try to influence those who do govern the sale of goods—that is, the cutter, the retailer, the press, and the consumer —so the impact is felt by the spinner who buys raw cotton, thus keeping the market open."

Getting high-fashion casual clothes made up in pure cotton and into the flow of distribution is CCI's immediate goal in the men's leisure wear or "Casual Cottons" project, now in its third year. Long range objectives are to contribute to a rapid, healthy growth of the leisure wear market and create a favorable association between cotton and casual wear in the minds of the trade and public.

The project gets underway early each year when three well-known designers from different regions of Europe are commissioned to create a collection of men's casual wear in outstanding cottons. This year, the designers are from Sweden, the Netherlands, and Italy.

Each designer is assigned a region of Europe and selects fabrics from that area's leading mills, looking for new fabrics and finishes and getting a feel for manufacturers' style and fabric preferences. For example, stretch cottons have become popular in the past 3 years, and this year a French mill will work on a line of cotton knits. Thus, the project has the benefit of exposing these top designers to the versatility of cotton, encouraging them to continue using cotton even after they are no longer involved in the campaign itself.

Ideas free to manufacturers

From about 100 sketches submitted by the designers, CCI selects 30 of the most newsworthy and easy to produce for its "idea collection." Sketches of these are assembled into a booklet —with swatches of recommended fabrics—and offered to top manufacturers in each country on an exclusive national basis.

Manufacturers may use the designs and patterns at no cost, varying colors, textures, and details at will, provided they reproduce them in pure cotton and promote them as such. Of last year's 30 designs, more than 25 went into production.

CCI's roster of cooperating manufacturers, which includes some of the biggest names in Europe, rose to 37 last year from 17 in 1964, while the actual number of garments produced tripled in the same time. About 50

Designers' sketches (above) are offered free to makers-up for production in pure cotton; leisure suit (right) was one result.

manufacturers are expected to participate in 1966.

"Only top manufacturers are invited to participate," Mr. Rhymes said. "We want firms known for quality and style leadership, that produce in volume and sell internationally."

A hit at Cologne

In August, the manufacturers' reproductions are presented at the International Men's Fashion Fair in Cologne, Germany—Europe's largest event for the men's fashion trade—where some 20,000 retailers and manufacturers come to view and buy merchandise.

In addition to a press showing attended by representatives of every major trade publication in Europe, the "Casual Cottons" are exhibited throughout the convention so that retailers and manufacturers may inspect them closely. A retail catalog containing pictures of all garments, names and addresses of manufacturers, and order cards is distributed at the exhibit and later mailed to retailers.

As a result of the Cologne show, publicity begins to appear in every major European trade journal in the men's fashion field. Association of cotton leisure wear with glamor and prestige is implemented by a carefully designed advertising campaign. A key factor is top quality photographs of garments worn by a select group of models for use in all media: trade journals, consumer magazines, newspapers, and in-store promotion.

Last fall, as retailers were placing their orders for spring and summer stock, CCI ran a series of 37 ads in four international trade magazines with most series accompanied by strong editorial coverage. Consumer advertising is timed to appear when stores are ready to begin selling.

The men's leisure wear project is active in 11 countries—the United Kingdom, Belgium, West Germany, Italy, Sweden, Finland, Switzerland, Austria, France, the Netherlands, and Norway. CCI hopes to see its two other European cooperators, Spain and Denmark, brought into the program this year.

Evaluation planned

Slated for some time this spring is a market research study to closely evaluate the men's leisure wear campaign and determine ways in which it can be improved. Manufacturers will be asked whether the campaign has influenced them to use more cotton and created a feeling that cotton has status.

In the discussion stage is a plan to include in the CCI promotion some all-cotton garments from foreign manufacturers' own lines. Use of labels and hang tags to identify idea-collection garments should start this year on a shared-cost basis.

Promotion of women's casual cottons—to begin this spring—will be handled differently. The new campaign will skip the designer-idea collection stage and feature promotion of all-cotton merchandise made up by about 40 top firms in the United States and Europe. Garments will complement the items featured in the 1966 men's leisure wear collection.

Around Easter, the spring and summer fashions will be presented in San Remo, Italy, where the sunny, leisure-oriented Italian Riviera will provide a fitting backdrop for the casual clothes. Some items from the men's wear collection will also be shown. Modeling American women's casuals will be the 1966 Maid of Cotton, Nancy Bernard.

The San Remo show will be aimed particularly at the fashion press, and an editor from a top women's fashion magazine in each European country will be invited as a guest of CCI.

The next step in women's wear may be promotion on the trade level, again using garments from the lines of leading American and European manufacturers. The collection would be presented at an important trade event in the field of women's fashions.

Cotton rainwear sales mount

Promotion of cotton rainwear was added to CCI's international program last year and will continue during 1966. Publicity on an international level is a cooperative effort between CCI and individual members of the International Rainwear Council, which includes 21 firms in 14 countries.

In the summer and fall of 1965, CCI and the manufacturers placed some 30 pages of advertising in top international rainwear journals. The effectiveness of the campaign was reported by IRC's president, who noted that the sale of all-cotton rainwear rose by 40 percent last year, while sales of rainwear made from blends remained at the same level.

Clarence K. Palmby, Executive Vice President, analyzes the U.S. Feed Grains Council program to increase feed use in Japan and the U.K. in speech to the Farmers Grain Dealers Association.

Promotion Differs in Old and New Markets for U.S. Feed Grains

The U.S. Feed Grains Council is organized to promote and encourage overseas utilization of corn and other feed ingredients for the sole purpose of increasing U.S. exports for dollars.

Traditionally, the United Kingdom has had the reputation of being our big cash corn buyer. Britain continues to be an excellent importer of U.S. corn, and will purchase about 100 million bushels this marketing year.

"100-million-bushel club"

Several other countries have joined, or are about to join, the "100-million-bushel club." These are the Netherlands, Italy, and Japan. I expect that within a very few short years other countries will join this exclusive "club" —countries such as West Germany and Spain.

During calendar 1965, Japan imported over 4 million metric tons of corn, grain sorghum, barley, and alfalfa.

USFGC's work in Japan is quite different from that in European countries. The reason is obvious.

At the present time, 70 percent of the feed ingredients imported by Japan are utilized by the layer industry. This is significant because in many ways the Japanese are in the "egg stage" of national diet improvement.

Eggs are an excellent source of protein. Eggs are easily prepared and can be utilized in the home or eating establishments even though limited kitchen equipment is available for meal preparation. Eggs, generally, do not have a strong taste; consequently, people who are traditionally oriented toward fish in the diet can readily adapt their taste habits to an increasing amount of eggs.

USFGC, therefore, has encouraged and participated in several campaigns encouraging egg consumption.

These programs have been instrumental in increasing per capita egg intake. The promotional campaigns have been coupled with encouragement to the feed manufacturers to improve the quality of layer rations.

The U.S. Feed Grains Council, through its continuing cooperation with FAS, is sponsoring a Feed Grains Trade Exhibit and Seminar in the U.S. Trade Center, Tokyo, March 7-18.

U.S. firms exhibiting at the Trade Center will be from three categories: grain exports, feed additive firms, and chick-breeding firms interested in poultry feeding. Eighteen have agreed to exhibit, of which five are exporters, four are feed additive firms, and nine are chick breeders.

The Seminar will feature seven technicians from the United States. Many leaders in the Japanese poultry and livestock industry will also participate. The U.S. specialists are: R. Frank Frasier, Executive Vice President, National Broiler Council; Dr. E. C. Schnetzler, Director of Research, DeKalb Agricultural Assoc., Inc.; and Ed. E. Griffin, Director of Membership Relations, American Feed Manufacturers Assoc.

Also, G. Ted Cameron, President, Mountaire Poultry Co.; Dr. J. C. Snyder, Associate Professor of Agricultural Economics Business Management, Purdue University; Dr. H. L. Fuller, Professor of Poultry Nutrition, University of Georgia; Dr. V. C. Speer, Associate Professor of Swine Nutrition, Iowa State University of Science and Technology.

U.S. corn sales to Britain

Activities in the United Kingdom, our long-established corn market, are different.

The greatly increased production of grain in Britain since World War II is one of the most outstanding agriculture stories of this century. The production of barley and wheat in the last 5 years has increased about 4 million metric tons. Grain production is nearly 50 percent greater today than it was 6 years ago.

U.S. corn sales to Britain continue to remain about constant. The likelihood of the market's actually getting somewhat bigger is quite good. How have we been able to maintain our corn market?

For one thing, something over 30 percent of Britain's total corn imports is utilized by the wet corn processors. There is not much likelihood of other grains being substituted for corn in the wet corn process. The remaining 70 percent is utilized by poultry and, to a lesser extent, other animals. This is the market I was afraid we would lose since, while many believe corn and/or grain sorghum are a necessary feed ingredient in poultry rations, wheat, too, can be used. If stocks of wheat should become surplus in Britain, they will eventually be fed to poultry and other livestock, even at the expense of sacrificing some efficiency in feeding.

Keeping this in mind, the USFGC has for several years encouraged the utilization of home-produced barley and wheat in large-animal rations. We have conducted many feeding demonstrations to show the value of high-energy grain rations for calf feed.

The British are sophisticated agriculturists. On the other hand, the feeding of grain to calves and cattle is a relatively new enterprise. The amount now being fed is much greater than 5 years ago. This increased feeding coupled with bigger amounts to all large animals, including swine, has assured us of a continuing corn market in Britain.

On March 24 and 25 the U.S. Feed Grains Council is sponsoring a conference in Harrogate, England, on the subject of "Feeding for Beef Production." This 2-day conference will feature papers on results of feeding trials and demonstrations carried on by USFGC in Britain, Denmark, and Ireland.

The Conference is timely because of the unprecedented demand for high-quality beef in Britain and on the Continent. We also expect to attract leaders from countries in Europe.

The reason the Council is interested in such factors as greater feed efficiency and lower feed conversion rates is that every product or commodity that expects to maintain its share of the market, or a growing share of the market, must forever be improved and, if possible, offered at more attractive prices. Improved feed efficiency leads to lower-cost animal proteins. Only through such forward-looking emphasis can we maintain a growing market for animal proteins.

West Germany Is Making Heavy Imports of Feed Grains

West Germany expects to import 6 million tons of feed grains in the 1965-66 marketing year, 39 percent more than in 1964-65. Smaller grain and fodder supplies, heavier livestock feeding, and the early onset of winter have all contributed to the increased import requirements.

West Germany's feed grain imports during July-December 1965 totaled 2.7 million metric tons, comprising 776,000 tons of barley, 358,000 tons of oats, 1,371,000 tons of corn, and 227,000 tons of grain sorghums. Imports in the 6-month period were 24 percent larger than a year earlier. The United States supplied about 30 percent of the total.

West German production of feed grains in 1965 totaled 5.5 million tons, down 13 percent from 1964. Barley production was 3,365,000 tons, oats 2,052,000 tons and corn 96,000. The German wheat crop was 4,348,000 tons versus 5,203,000 in 1964; the rye crop, 2,825,000 versus 3,609,000.

Despite very wet harvesting conditions last fall the German grain crop was of satisfactory quality. Large-scale use of combines and very effective utilization of rapidly expanding drying facilities saved the harvest from more substantial weather damage.

Germany harvests of fodder roots and potatoes, which are extensively used for feed purposes, were 10 and 12 percent, respectively, below those of a year earlier. Acreages were down 6 and 8 percent, partially because of wet planting conditions in the spring. Continuing field conditions and heavy weed growth also contributed to low yields.

Fodder root production totaled 19.1 million tons in 1965 including 16.8 million tons of feed beets, 2.2 million tons of rutabagas, and 46,000 tons of feed carrots. The potato crop amounted to 18.1 million tons. Root crop production has fallen sharply in recent years because of scarcity of manpower for these labor-intensive crops. The fodder root crop was 21 percent below the 1955-59 average and that of potatoes 29 percent. The decline in root production is an important factor in the increasing imports and utilization of feed grains in West Germany.

The bright spot in the 1965 German feed production picture was the hay crop (clover, alfalfa, and permanent rotation meadows). The total hay crop (expressed in hay values) was 27.1 million tons, 18 percent more than in 1964 and 8 percent above the 1955-59 average. Hay quality, however, suffered from delayed harvest and frequent rains.

Cattle pasturing on abundant fall growth was abruptly ended in mid-November by the first hard freeze.

FAO Jute Committee Assesses World's 1966-67 Jute Season

According to the Food and Agriculture Organization of the United Nations, both the production and world requirements of jute and allied fibers are to be considerably higher in 1966-67 than the previous year.

This assessment was made by the Consultative Committee, FAO Study Group on Jute, Kenaf and Allied Fibers, during its second session in Rome, January 31-February 2, 1966.

Production of jute and allied fibers in July-June 1966-67, including estimates for Mainland China and Russia, is expected to total 3,946,000 metric tons. World requirements for the same period are estimated at 3,906,000 tons.

The Committee reported that in the major producing countries of Pakistan, India, and Thailand, the planned crops for 1966-67 of 1,270,000, 1,633,000, and 354,000 tons, respectively, are substantially higher than the revised production figures reported for 1965-66—1,208,000, 1,179,000, and 319,000 tons.

The higher 1966-67 productions envisaged for Pakistan and Thailand, the major exporters of raw fibers, are expected to result mainly from increased plantings. In India, the principal exporter of manufactured jute goods, greater use of fertilizers and improved production techniques are expected to yield a substantially larger production.

Larger world requirements in 1966-67 than in the current season are anticipated mainly because of the increased mill activity of expanding industries in developing countries. In the major jute manufacturing countries, India and Pakistan, both domestic consumption and export of jute goods are expected to be up substantially.

Among the developed countries, the upward trend in mill consumption is likely to be maintained in Japan while in Western Europe fiber requirements and stock levels are not expected to change appreciably.

The Committee also reviewed the movement of supplies and prices in the first half of the 1965-66 season. The sharp rise which occurred in jute prices during January 1966 reportedly resulted from importers deferring purchases until December 1965. Prices of raw jute in Pakistan in January 1966 rose to £106 per long ton, f.o.b. (13.25 cents per lb.)—well above the recommended range of plus or minus 7.5 percent of a base price of £86 per ton (10.75 cents) f.o.b. Pakistan, for the lowest grade of longcut jute. However, the majority of importing countries had already purchased their requirements at prices within the recommended range before the January increase took place.

Countries represented at the meetings included Belgium, France, Federal Republic of Germany, India, Italy, Pakistan, Spain, Thailand, United Kingdom, and the United States. Representatives of the European Economic Committee and the Association of European Jute Industries also attended. The third session of the Consultative Committee was tentatively set for early September 1966 in Rome, to immediately precede the next meeting of the Jute Study Group.

U.S. Honey Imports Up

Honey imports into the United States in 1965 were the highest since 1947—13.3 million pounds. This compares with 4.9 million pounds imported in 1964 and 2.6 million in 1963.

Mexico was the largest supplier in 1965, as it has been since 1960. Imports from Mexico totaled 6.7 million pounds, and those from Argentina, 5.9 million. Many other countries supplied small amounts of honey. Although April was the biggest import month imports were fairly well distributed throughout the year.

The large volume of honey imports into the United States last year reflects good crops in other major producing countries and sales at lower prices. At the same time, U.S. production did not reach expectations.

Northbound Suez Shipments in December

In December, northbound shipments of oil-bearing materials through the Suez Canal at 100,564 metric tons were 5,770 tons below those in November, and 26 percent below those of December 1964. Reduced movements of copra accounted for most of the decline.

Shipments of oil-bearing materials in the October-December period at 339,722 tons were one-sixth below the corresponding period in 1964. Reduced movements of soybeans accounted for most of the cut although all items except sesame and palm kernels declined some.

Shipments of soybeans, nil since the beginning of October, amounted to 110,000 bushels in December. Aggregate shipments in October-December were down about 1.5 million bushels from comparable 1964.

NORTHBOUND SUEZ SHIPMENTS OF OIL-BEARING MATERIALS

Item	December		October-December	
	1964	1965	1964	1965
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	—	3,000	43,648	3,000
Copra	90,630	58,307	246,158	239,455
Peanuts	20,425	16,566	43,970	29,434
Cottonseed	9,256	5,473	29,025	18,804
Flaxseed [2]	500	—	1,712	—
Castorbeans	4,143	4,777	10,644	10,509
Palm kernels	2,221	1,897	6,373	7,207
Sesame	4,436	6,538	6,488	15,318
Other	4,516	4,006	18,748	15,995
Total	136,127	100,564	406,766	339,722

[1] Metric ton of soybeans = 36.7 bu. [2] Metric ton of flaxseed = 39.4 bu.
Suez Canal Authority, Cairo, Egypt.

NORTHBOUND SUEZ SHIPMENTS OF SOYBEANS

Month and quarter	Year beginning October 1				
	1961	1962	1963	1964	1965
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
October	381	11	0	1,443	0
November	130	0	19	160	0
December	408	2	0	0	110
October-December	919	13	19	1,604	110
January-March	4,082	1,328	1,484	2,826	—
April-June	239	573	706	1,376	—
July-September	327	1,585	4,106	1,562	—
October-September	5,567	3,498	6,315	7,368	—

Totals computed from unrounded numbers.
Suez Canal Authority, Egypt.

Cumulative shipments of vegetable oils through the canal in the October-December 1965 period were 140,758 tons. This included 43,931 shipped in December alone, against 105,534 in October-December 1963—32,866 tons in December. Most of these shipments were palm and coconut oils.

Aggregate shipments of vegetable cakes and meals in October-December 1965 were 347,753 tons compared with 387,456 tons in the like period of 1964. The decline reflected reduced shipments of peanut cakes, copra cakes, and meals, partly offset by increased movement of cottonseed cake.

Malay, Singapore Exports of Oil, Copra

Net exports of copra and coconut oil from the Malay States and Singapore during the first 11 months of 1965 totaled 13,808 long tons (oil basis), compared with 9,831 in January-November 1964. Imports of copra, largely from Sabah, increased to 23,103 tons from 19,985. Exports of copra increased to 12,949 (of which India took 10,591) from 5,672.

Coconut oil exports during the January-November period totaled 23,268 tons. Major destinations were Canada, 6,009 tons; North Viet-Nam, 2,411; South Africa, 2,212; and Burma, 2,200. Exports of coconut oil in January-November 1964 totaled 20,142 tons. Imports of coconut oil increased to 2,961 tons from 1,151.

U.S. Burley Exports Down

U.S. exports of burley tobacco in 1965, at 45.3 million pounds (export weight), were 14.6 percent below the record 53 million shipped out in 1964.

Major markets for U.S. burley tobacco last year included West Germany, Italy, the United Arab Republic (Egypt), Mexico, Portugal, and the Netherlands.

The Common Market countries purchased 20.1 million pounds, compared with 18.9 million in 1964.

U. S. EXPORTS OF BURLEY TOBACCO
[Export weight]

Destination	1964	1965 [1]	Change from 1964
	1,000 pounds	*1,000 pounds*	*Percent*
Germany, West	10,893	9,400	— 13.7
Italy	3,988	6,636	+ 66.4
UAR (Egypt)	4,408	4,486	+ 1.8
Mexico	4,492	3,776	— 15.9
Portugal	3,127	2,655	— 15.1
Netherlands	1,760	2,126	+ 20.8
Denmark	1,546	2,087	+ 35.0
Congo, Republic of	937	2,033	+117.0
Hong Kong	1,163	1,499	+ 28.9
Belgium-Luxembourg	1,614	1,331	— 17.5
Thailand	1,753	1,175	— 33.0
Finland	1,435	1,061	— 26.1
Switzerland	1,054	945	— 10.3
Chile	902	897	— 0.6
Norway	643	687	+ 6.8
Australia	428	626	+ 46.3
France	668	572	— 14.4
Austria	918	520	— 43.4
Sweden	7,255	0	—100.0
Others	4,027	2,783	— 30.9
Total	53,011	45,295	— 14.6

[1] Preliminary.
Bureau of the Census.

U.S. Flue-cured Exports Smaller in 1965

U.S. exports of flue-cured tobacco in 1965 totaled 350.6 million pounds—down 11.4 percent from the 395.6 million shipped out in 1964.

Much smaller exports to the United Kingdom—which took only 81.4 million last year, compared with 115.4 million in 1964—accounted for most of the drop. Exports to West Germany were down from 70 million to 67.4 million. Those to Japan, however (the third largest foreign outlet for flue-cured), rose to 36.6 million in 1965 from 34.5 million in the previous year.

Among major purchasers, the Netherlands, Australia, Belgium-Luxembourg, Egypt, Denmark, and Thailand took more than in 1964; but declines were recorded for Ireland, Viet Nam, Hong Kong, Switzerland, and Sweden.

European Common Market countries purchased a total of 107.5 million pounds of flue-cured in 1965, compared with 113.2 million in 1964.

U. S. EXPORTS OF FLUE-CURED TOBACCO
[Export weight]

Destination	1964	1965 [1]	Change from 1964
	1,000 pounds	*1,000 pounds*	*Percent*
United Kingdom	115,401	81,377	— 29.5
West Germany	69,961	67,374	— 3.7
Japan	34,465	36,574	+ 6.1
Netherlands	23,033	23,289	+ 1.1
Australia	13,384	18,391	+ 37.4
Belgium-Luxembourg	13,282	13,647	+ 2.7
Egypt	10,586	12,886	+ 21.7
Denmark	9,532	11,369	+ 19.3
Thailand	9,185	9,995	+ 8.8
Ireland	10,716	9,793	— 8.6
Malaysia	5,695	6,568	+ 15.3
Viet-Nam	7,685	6,145	— 20.0
Hong Kong	6,900	5,920	— 14.2
Taiwan	1,780	4,058	+128.0
Switzerland	4,792	4,056	— 15.4
Finland	3,796	3,905	+ 2.9
Norway	4,020	3,667	— 8.8
Austria	3,162	2,853	— 9.8
New Zealand	3,720	2,829	— 24.0
Sweden	9,747	2,403	— 75.3
Others	34,743	23,497	— 32.4
Total	395,585	350,596	— 11.4

[1] Preliminary.
Bureau of the Census.

Dried Prune Pack Short in Yugoslavia

The 1965 Yugoslav dried prune pack is now estimated at only 13,000 short tons—less than half of the average 1959-63 pack of 29,300 tons and less than 40 percent of the large 1964 pack of 34,000 tons. Unfavorable spring weather and summer drought reduced the fresh prune crop and hence the quantity dried. Many of the newly constructed dehydrators were not operated at all because of the shortage of prunes. Fruit sizes are reportedly small in consequence of the drought.

Exports in 1965-66 are expected to approximate the below-average 1964-65 export volume of 18,700 tons. A heavy carry-in of 1964-crop prunes—roughly 16,000 tons—would permit this export level despite the very short pack. Closing 1965-66 stocks should be much smaller.

The Soviet Bloc continued to be the main outlet for Yugoslav prunes, taking 19,376 tons in 1963-64 and 13,774 in 1964-65. Only about 5,000 tons per season were exported to all other destinations, with West Germany, Italy, Austria, and Denmark the leading markets.

The Yugoslav Government has taken measures to bolster the production of dried prunes in 1966. The so-called Business Association of Fruit Growers has developed a plan to improve the culture of Pozegaca prunes (the variety used for drying) on 60,000 acres of private holdings where yields are presently very low.

The government also announced in December 1965 a minimum purchase price for fresh prunes and the anticipated guaranteed prices for dried prunes. These measures are intended to increase 1966 production with a view to maximizing exports. Domestic consumption is also expected to be lower as a result of sharply increased retail prices.

YUGOSLAVIA'S SUPPLY AND DISTRIBUTION OF DRIED PRUNES

Item	1963-64	1964-65	1965-66 [1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Supply:			
Beginning stocks (Oct. 1)	12,000	6,200	16,000
Production	24,000	34,000	13,000
Total supply	36,000	40,200	29,000
Distribution:			
Exports	24,300	18,700	[2] 19,000
Domestic disappearance	5,500	5,500	[2] 5,000
Ending stocks (Sept. 30)	6,200	16,000	[2] 5,000
Total distribution	36,000	40,200	29,000

[1] Preliminary.
[2] Forecast.

YUGOSLAV EXPORTS OF DRIED PRUNES

Country of destination	Marketing year 1963-64	1964-65
	Short tons	*Short tons*
United States	96	5
Austria	898	815
Czechoslovakia	2,425	2,892
Denmark	537	497
Finland	15	7
France	116	165
Germany, West	1,303	1,377
Germany, East	—	553
Italy	1,037	1,449
Netherlands	21	7
Norway	149	48
Poland	721	1,692
Switzerland	31	40
United Kingdom	245	386
USSR	16,230	8,637
Australia	4	8
Cuba	56	39
Egypt	121	—
Israel	204	88
Morocco	106	40
Other countries	9	3
Total	24,324	18,748

Italy Exports Fewer Filberts

Italian filbert exports during the year ending August 31, 1965, totaled only 24,800 short tons, in-shell basis. This was a drop of 16 percent from the preceding year and 23 percent below the average for the 5-year period ending in August 1964.

The drop-off in exports would have been greater, but, for the first time since the late 1930's, Czechoslovakia

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made sizable purchases. It bought 1,100 short tons of shelled filberts (2,400 tons in-shell equivalent) during the season. France, West Germany, and Switzerland were, as usual, also major buyers of shelled filberts, while the first two countries and the United Kingdom were again the primary buyers of the in-shell exports.

African "Franc Zone" Cotton Output Up

The 1965-66 cotton crops are now being harvested in the independent countries of former French Equatorial Africa and former French West Africa. France is the largest export market for African "Franc Zone" cotton.

The 1965-66 crop in Chad is estimated at 180,000 bales (480 lb. net), up from 160,000 a year ago and the 1955-59 average of 100,000 bales. Chad is the largest cotton producer in the Franc Zone. The 1966-67 crop may be even larger as a result of cotton price support funds which reportedly have been made available from the European Development Fund.

The Cameroon cotton crop is estimated at 80,000 bales this season. This territory is the newest cotton producer in the Franc Zone and second in volume of production. Cameroon also receives aid from the European Development Fund, a portion of which is used for cotton bounties.

COTTON PRODUCTION IN AFRICAN "FRANC ZONE"

Country	Year beginning August 1			
	1962	1963	1964	1965 [1]
	1,000 bales[2]	*1,000 bales*[2]	*1,000 bales*[2]	*1,000 bales*[2]
Chad	150	165	160	180
Cameroon	57	70	75	80
Central African Republic	50	45	50	45
Total, former French Equatorial Africa	257	280	285	305
Ivory Coast	9	5	14	20
Upper Volta	10	10	11	12
Mali	20	20	32	30
Togo	13	12	10	10
Dahomey	6	5	5	10
Niger	7	8	8	8
Total, former French West Africa	65	60	80	90
Total	322	340	365	395

[1] Preliminary. [2] Bales of 480 lb. net weight.

Cotton production in the Central African Republic in 1965-66 is estimated at 45,000 bales, slightly below a year ago. Yields tend to be low in this country because of the humid climate and insect problems.

The countries comprising former French West Africa have shown a significant increase in cotton production in recent years. Aggregate production in these countries in 1965-66 is estimated at around 90,000 bales, 13 percent above a year ago and nearly 40 percent above the outturn in 1962-63.

Ivory Coast has shown the greatest progress among the cotton producers in this group. Most of the cotton now produced in the Ivory Coast is of the Allen variety and is around 1-1/32" in staple length. Dahomey and Togo are shifting cotton production from the coastal areas to the north, and the old "Mono" variety is being replaced by "Allen."

Finland's Butter Exports Down

Finland's exports of butter during January-November 1965, at 43 million pounds, were 9 million less than in the comparable period of 1964. Shipments to the United Kingdom, the principal market, were down 16 percent to 36 million pounds. Other traditional outlets also took smaller quantities. Only the USSR increased its purchases, taking 7 million pounds compared with 3 million pounds in January-November 1964.

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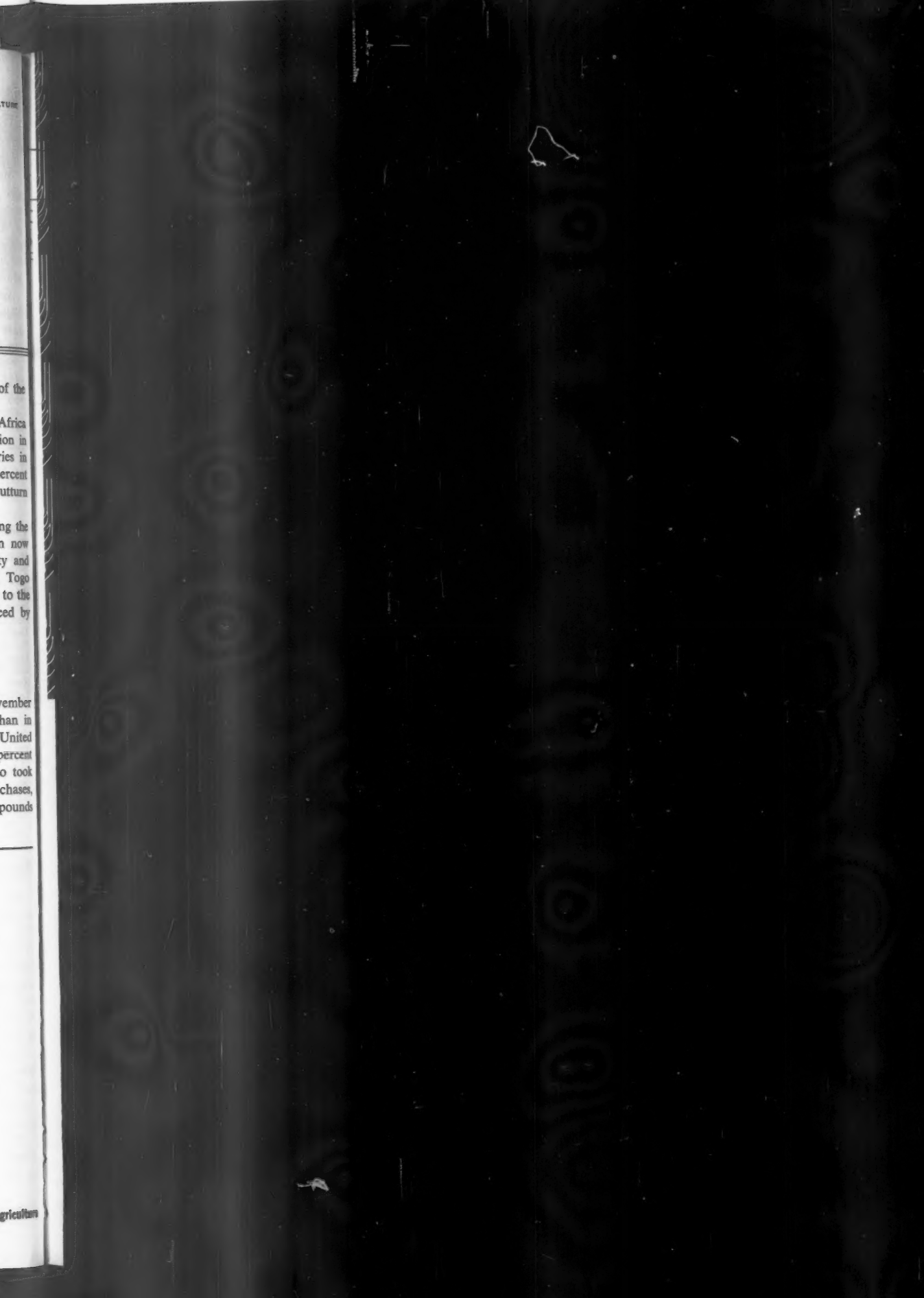
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